2nd Quarter FY 2022 Business Forecast Webinar and Partner Update March 22, 2022 9:00 - 10:00 AM ET As Prepared

USAID Participants

- Luis Rivera, Acting Director, Bureau for Management, Office of Acquisition and Assistance
- Jim Hope, Mission Director, USAID/Ukraine
- Kimberly Ball, Director, Office of Small and Disadvantaged Business Utilization
- Deb Broderick, Deputy Director, Bureau for Management, Office of Acquisition and Assistance
- Chanel Adikuono, Director: Partner Experience & Mandeep Jangi, Senior Director: Partner Experience, Office of Private Sector Engagement, Bureau for Development, Democracy, and Innovation
- Arjun Tasker, Local, Faith and Transformative Partnerships Hub, Bureau for Development, Democracy, and Innovation
- Matt Johnson, Industry Liaison, Communications Director, Bureau for Management,
 Office of Acquisition and Assistance

<u>Agenda</u>

- Welcome and introductions by Matt Johnson
- Remarks from Luis Rivera
- Remarks from Jim Hope
- Remarks from Kimberly Ball
- Remarks from Deb Broderick
- Remarks from PSE
- Remarks from Arjun Tasker
- Walk through of WorkwithUSAID.org
- Conclusion of the call

Conference Call Transcript

Welcome and Introductions from Matt Johnson

Hello everyone and thank you for joining us today's Business Forecast and Partner Update webinar. My name is Matt Johnson. I am USAID's Industry Liaison as well as the Director of Communications for the Office of Acquisition and Assistance.

We are excited to have you join today's webinar – where we will be sharing updates on a number of things happening around USAID. I'm pleased that many colleagues from across the Agency are with us today, including

- Luis Rivera, Acting Director, Bureau for Management, Office of Acquisition and Assistance
- Jim Hope, Mission Director, USAID/Ukraine
- Kimberly Ball, Director, Office of Small and Disadvantaged Business Utilization
- Deb Broderick, Deputy Director, Bureau for Management, Office of Acquisition and Assistance
- Chanel Adikuono, Director: Partner Experience &
- Mandeep Jangi, Senior Director:Partner Experience, Office of Private Sector Engagement, Bureau for Development, Democracy, and Innovation
- Arjun Tasker, Local, Faith and Transformative Partnerships Hub, Bureau for Development,
 Democracy, and Innovation

If you're new to one of our Business Forecast calls, we try to use this time to cover major topics and later today, we will plan to post responses to the majority of the questions we have received on our website -- along with a recording and transcript from this call. We will notify you that it has been posed through our Industry Liaison Updates email distribution list, our social media channels, which we will drop in the chat box.

And with that, I would like to first turn the call over to Luis Rivera to share a few updates.

Remarks from Luis Rivera, Acting Director, Bureau for Management, Office of Acquisition and Assistance

Welcome everyone, it is such a pleasure to have you all joining us for our quarterly Business Forecast and Partner Update webinar.

During my time as a Contracting Officer in the Field, most recently in Washington as the Deputy Director of Foreign Operations and now as the Acting Director of the Office of Acquisition and Assistance, I have seen the amazing work of our partners globally. During this particularly challenging period we have each witnessed the power of the partnership that we have and how it enables us to respond with confidence to our beneficiaries.

I'm also familiar with the importance of our Business Forecast and communicating early and often with you throughout the design and procurement process. I appreciate the many questions that you have submitted and of your continual engagement with our Agency.

There are so many great things happening at the Agency right now and today we will update you on all of the priorities that M/OAA is working on.

Localization

First, I'd like to start off with our localization effort. As you may be aware, the Administrator set out an ambitious localization agenda in November, for how to shift our programming and partnership practices to be more locally led. Specifically, she called for USAID to shift 25% of our funding directly to local actors by 2025, and design 50% of our activities to include local leadership by the end of the decade.

While we are still figuring out the details, I would like to thank those of you who have already been engaging in these discussions with the Agency.

A&A Strategy

The Agency's Acquisition and Assistance Strategy, which was first released in December 2018, has been undergoing a refresh to incorporate feedback and priorities of this Administration. We are also organizing the strategy around three key objectives:

- 1. A&A workforce is enabled, equipped, and empowered to drive USAID's development mission
- 2. Acquisition and assistance is elevated to provide thought leadership to development challenges
- 3. A&A workforce advances how USAID does business to support Agency priorities

Developing the A&A Strategy is an iterative process, and we are excited about the soon to be released strategy document.

With the release, we will then turn toward the implementation plan, and share the details with you in the coming months as I am sure you have valuable input for our consideration.

DEIA

A critical element to our A&A strategy is our commitment to Diversity, Equity, Inclusion, and Accessibility - both within the Agency and with whom we partner with.

In our hiring during FY 2021, M/OAA was able to increase the diversity of our staff and alleviate some of our staffing shortages. These new hires have been a crucial part in implementing the Agency's mission while also representing a diversity of national origin, reflecting the global nature of USAID's workforce.

In 2021, USAID conducted an external equity assessment to assess barriers that underserved communities face in participating in Agency programs and procurement opportunities. One procurement related finding reported that potential partners from marginalized communities find the Agency's conventional proposal submission and evaluation practices to be cost prohibitive, diminishing their ability to contend for our acquisition and assistance opportunities.

In recognizing our A&A processes are creating this barrier to extend our partner base and advance DEIA within our procurements, action to address this barrier has been established within USAID's DEIA agency priority goal. M/OAA is heightening efforts and preparing our staff to streamline the proposal and evaluation processes through methods such as phased acquisition, streamlined evaluation criteria, and oral presentations.

WorkwithUSAID.org

While we are working within the Agency to lower the barrier to partnership, we also developed a new website, WorkwithUSAID.org. WorkwithUSAID.org is a free and globally accessible website where current and prospective partners can learn how to partner with the Agency.

Broadly speaking, since the launch of WorkwithUSAID.org in November by Administrator Power, the Agency has received overwhelmingly positive feedback, including a designation as a High Impact Service Provider by the Biden Administration.

Over 80,000 users have visited WorkwithUSAID.org and Partner Directory features 2,000 organizational profiles with more being added every day. Of these profiles, 72 percent identified that they have not partnered with USAID but now will be visible to the Agency and the global development community. .

I highly encourage you to visit WorkwithUSAID.org today to access all of our innovative tools.

Staffing

Finally, I want to provide a brief update on staffing on our Foreign Service Contracting Officers.

The Agency leadership understands that to achieve the objectives of the Agency's Mission and the items I've just highlighted, we need to address the staffing challenges within our Foreign Service Contracting Officer backstop. We have identified that we need 195 foreign service contracting officers. As of today, we have only 127 foreign service COs fully operational.

We have been able to recently hire an additional 36 new COs, but as many of you are aware it will take several years of training and experience before they will be fully operational.

But even with these new hires, we are still facing a shortage of COs. We are proactively working with Agency leadership to address the shortfall of staff needed and are pleased to have agreement on a path forward.

I share this with you so that you understand that we are working to address this long standing challenge. But this will take time.

Closing

I want to close start by saying thank you to each and every one of you for the work that you're doing. We recognize that many of you are under tremendous pressure. Around the world we are seeing unprecedented challenges – from COVID-19 to the challenging operating environments that you are working in each day. Your dedication to helping others and going to the hard places is very much appreciated.

Remarks from Jim Hope, Mission Director, USAID/Ukraine

As the world watches the unjustified and unprecedented invasion of Ukraine unfold before our eyes, we at the USAID/Ukraine Mission continue to be shocked and horrified by the brutality inflicted on the people of Ukraine.

We are also inspired by the resilience of the Ukrainian people as they stand up to the invasion. We are encouraged by the resilience of our partners and programs, who have adapted and found new ways to support the Ukrainian people.

The Mission is being as flexible as possible, working with our partners to shift resources to where they are needed most. Here are a few notable examples:

- Our energy program is helping ensure the continued flow of gas and electricity to homes, hospitals, and schools. Last week, Ukraine successfully synchronized with the European electricity grid with our support.
- Our cybersecurity program is helping Ukraine's public institutions protect their communications networks, including by repelling cyberattacks and repairing systems following attacks.
- Our media activity has provided more than 60 journalists with protective gear like flak jackets and trained them in how to operate in a conflict environment.
- We are partnering with local governments and small businesses to establish and equip centers for internally-displaced persons. These centers are providing critical shelter, supplies, and services to people who have been forced to flee their homes.
- Across our portfolio, we are working with the Government of Ukraine to protect data that is needed to continue to provide healthcare and government services of all types.
- These are just a few of the many examples of how we have worked with our partners to rapidly adapt our assistance to humanitarian needs.

I want to make clear that USAID remains committed to supporting Ukraine and the people of Ukraine, both during the war and throughout the reconstruction period that will follow their victory.

We continue to evaluate the existing programs and procurements that were in progress before the war began to ensure that the mechanisms are appropriately positioned to respond to current and anticipated needs.

On March 15, President Biden signed the Ukraine Supplemental Appropriations Act, which will provide \$13.6 billion in new funding, including to support all forms of assistance the U.S. government is providing to Ukraine and in the region. About \$4 billion of this will fund humanitarian assistance for the Ukrainian people. USAID's budget will also increase substantially.

This may impact the size and scope of our new procurements, all of which remain active. The Mission's Regional Contracting Office will continue to communicate updates as our plans evolve.

Since 1992, when the first USAID shipments arrived in Ukraine, our goal has been to help the government and Ukraine's people build an independent, democratic, and prosperous society able to pursue greater integration with their European neighbors.

Ukraine faces tremendous challenges, both today and in the future, but for us that fundamental goal has not changed. We will continue to provide assistance to the Ukrainian people during the war, and we will be here to support the recovery.

Remarks from Kimberly Ball, Director, Office of Small and Disadvantaged Business Utilization

Thank you to Luis and the M/OAA team for inviting us to participate in this morning's business forecast. As Matt noted, I am new to the role of Deputy Director but not new to OSDBU, USAID or the small business community. I am happy to be back in this role and looking forward to engaging with our small and large business partners.

As many of you know, the Agency's small business goal for the year is 12.5%. To help us reach that goal, we have assigned goals within the agency to the B/IOs with obligations greater than \$5M. We are also in the process of completing the goal negotiations process for the missions. We recognize that goal achievement is an agency-wide process. And this is one of the ways we ensure that the USAID community remains aware of the importance of small business engagement.

As Luis mentioned earlier, DEIA is a priority for the Agency and for this administration. As outlined in the Executive Order on Equity in Procurement (M-22-03), the administration has prioritized a number of small business initiatives including an effort to increase the SB federal industrial base - including new entrants and increasing awards to small, disadvantaged businesses.

As many of you know, our SDB goal for FY 2022 is 7.4% up from 5%. As this is a priority for the Administration, we are focusing on meeting that socio-economic category - which means greater outreach externally - and internally a closer focus on procurements that may be suited for this community.

Also of particular importance is the service disabled veteran owned small businesses community. This is an area where we have not done well in the last few years. So we want to re-focus our efforts in this area as well. Having said that, we realize that all the categories are important. And this is reflected in a greater focus on socio-economic categories across the board (Including WOSB and Hubzone)

To that end, In the next few months, we will be partnering with our M/OAA colleagues, the Department of Health and Human Services and the State Department to ensure that we are

engaging the small business community in an effort to increase our pool of potential small business partners.

Our next event is hosted by USAID's new Green Cities Division (DDI), Center for Environment, Energy, and Infrastructure (EEI), in the Bureau for Development, Democracy, and Innovation (DDI), in collaboration with OAA and the OSDBU.

USAID's new Green Cities Division is part of the The Green Cities Division supports expanded Agency programming across multiple sectors for sustainable urban development, including growing portfolios on reducing ocean plastic pollution, promoting a circular economy, improving air quality, and accelerating the transition to resilient and net zero cities. That event is being held on Thursday.

OSDBU will also be hosting focus groups to talk about barriers to entry to the USAID space. This event will be focused on the barriers U.S. small businesses face when seeking to obtain procurements with USAID. To be clear, for us, this is a listening session. An opportunity for you to share your experiences with us. We have heard from many of you that subcontracting remains a challenge; particularly in light of localization. We want to continue these conversations to inform the conversations we have internally around small business engagement.

USAID remains committed to small business engagement and recognizes the value that you bring to the work of the Agency.

Again thanks to M/OAA for this opportunity to speak with you this morning and more to come from the OSDBU.

Remarks from Deb Broderick, Deputy Director, Bureau for Management, Office of Acquisition and Assistance

As Luis mentioned we are working on the A&A Strategy. The first objective is to empower, enable and equip our A&A Workforce. My office is providing training and tools to equip our A&A workforce. We have a new Business Process tool called BPI that contains a logical path for the CO/AOs to follow to solicit and make awards. It contains samples, templates, lists, etc to assist the staff pre-award and post award. This is an internal tool and is available only to our staff —

My staff is also working on an initiative to reduce barriers to entry for IPs. We are reviewing our policies and regulations to see where we think we can make improvements while maintaining our fiduciary responsibilities.

My office continues to improve the acquisition of common products and services using category management. USAID is tracking and making progress towards achieving our targets in the area of Category Management. As of March 7, 2022, USAID obligated \$1.5B. Our "Best in Class" (BIC) spend is \$40.7 million, which represents 2.6% of our total spend. Our FY22 target is 5% of total spend. In the category of "Spend Under Management" (SUM), our spend to date is \$1.2B or 78% of total spend. Our targeted SUM total for FY22 is 75%. As a result, we are a bit behind in our BIC target but remain ahead in our SUM target.

In terms of supporting equity and diversity in procurement, one metric that is used is our attention towards small business. USAID is increasing awards to small businesses using Category Management vehicles to harness the value inherent in a competitive marketplace of diverse talents and capabilities. Of USAID's total obligations of \$160M in small business obligations (through March 7, 2022) \$150M or 89% were made using a Category Management vehicle.

We've received questions regarding the much-anticipated Services Multi-Agency Contract (MAC) or SMAC. The timeline is for the Draft RFP for Services MAC to be open until the end of FY22 – so September this year. Services MAC is expected to be awarded in mid FY23, a year from now. If everything goes as planned, there will be an overlap between OASIS and Services MAC as the OASIS ordering period ends towards the end of FY24.

In Discussions with GSA, we've learned that OASIS Unrestricted was based on a self scoring method, in which GSA awarded to the highest scoring partners. For Services MAC GSA plans to accept a minimum standard, not a best scoring method. As long as an industry partner can qualify, (albeit the standards will still ensure the best contractors are those that qualify,) they would be able to get on the contract. We've also heard that GSA anticipates a continuous open enrollment. The extent that it will be continuously open vs frequent onramps is still being finalized.

GSA's Office of Professional Services and Human Capital (PSHC) announced that they finalized the small business acquisition strategy for the new Services Multi-Agency Contract (MAC) to ensure maximum small business participation and procurement equity.

After completing additional market research and holding discussions with key stakeholders, the GSA Team intends to solicit and award separate Indefinite Delivery Indefinite Quantity (IDIQ) contracts designated under the following categories:

- · 8(a) Small Business
- · HUBZone Small Business
- · Service-Disabled Veteran-Owned Small Business
- · Total Small Business
- · Woman-Owned Small Business
- · Unrestricted

Although six separate contracts are planned, GSA indicates that they will make every effort to ensure offerors proposing on more than one solicitation can leverage one proposal to the maximum extent possible to reduce industry burden. I suspect you will see another GSA/PSHC update shortly on the evaluation criteria.

Finally, I want to thank all of our IPs for helping us to achieve all of the Agency's goals. While lucrative, Government contracting is also super competitive and challenging in so many ways. Those challenges are not lost on us and we are working towards our planning and forecasting.

Remarks from Chanel Adikuono, Director: Partner Experience & Mandeep Jangi, Senior Director: Partner Experience, Office of Private Sector Engagement, Bureau for Development, Democracy, and Innovation

My name is Chanel Adikuono, Director: Partner Experience in the Private Sector Engagement Hub. I am joined by my colleague, Mandeep Jangi who is a Senior Director: Partner Experience. Mandeep will start with sharing updates on one of our recent works, sharing the results of the PSE Hub's most recent partner experience survey. Then I will take over to share about our new strategy to inform our Private Sector Engagement Policy launched in 2018, as well as updates about our Customer Relationship Management (CRM) system/ relationship management. Mandeep take it away.

Updates on the User Diagnostics Results

In December we shared that PSE Hub conducted a partner experience survey for existing and potential private sector partners, which we call the "User Experience Diagnostic". The Diagnostic, informed by interviews and more than 700 individual survey responses—several of which came from this community—, found that private sector partners value USAID's strong in-country presence; brand recognition and credibility; and clear expectation-setting. However,

partners reported their concerns with delays in decision-making; burdensome bureaucratic processes; and weak external communication and outreach by USAID to the private sector.

We hear you! These findings will be taken into consideration in the design of a new Agency "Front Door" web portal for private sector companies, both new and existing partners, as well as our broader private sector engagement efforts. We intend to use the data and direct feedback to track and improve the engagement experience of our private sector partners. The survey will be conducted annually.

The survey is just one component of our broader efforts to improve the private sector partner experience. To dig deeper into the diverse experiences of our partners, we are launching listening sessions this month with a sample of partners. The insights from these sessions will contextualize our survey findings and inform our decision-making for improving partner satisfaction.

We're mindful that improving the experience means taking action based on what we've learned. Although USAID has partnered with the private sector since our founding 60 years ago, the Agency's current engagement models were not built to tap into full engagement with the private sector. The PSE Hub has started the process of adapting our systems, processes, and procedures to become better partners and improve our engagement with the private sector. This is key, as the partner experience is driven in part by the USAID employee experience, so setting USAID staff up for success leads to greater partnership success.

New Initiative to Inform our Private Sector Engagement Policy

The USAID Private Sector Engagement Hub that we sit in, is leading efforts to modernize global development by scaling and mainstreaming private sector engagement across the Agency through enterprise-wide systems changes.

Modernizing engagement with the private sector, and other partners, is a government-wide priority led by the White House.

We are making it easier for the private sector to work with USAID on some of the greatest challenges of our time. When I say easier, I mean going beyond funding to include co-creation and co-designing solutions.

CRM system/Relationship Management

We are continuing to work internally to strategize on a Customer Relationship Management System - a whole-of-Agency system to enable USAID to improve the partner experience by

allowing us to better track and proactively manage complex, multi-faceted relationships with industry and corporate partners. It will include:

Real time analytics - so that we know how well we're doing with our private sector segments; and continue to improve our partner experience. In the future we need to continue to get a more nuanced understanding of our target private sector segments.

Front door website - we want to make sure that companies can find the resources they need, when they need it through the creation of our 'front door' website – an externally facing, one-stop shop to help partners more easily navigate USAID from their initial point of contact. This 'front door' serves partners whether they are new to working with the Agency or are one of our established partners.

Relationship Managers - Our relationship managers coordinate complex partner relationships on behalf of the whole agency. They serve as an expert on ongoing projects with the company and the company goals. We want to support the Agency by establishing quality standards and keeping relationship managers accountable to those standards.

It was a pleasure to be joined by you today. Thank you for listening to our updates and all of the priorities of our PSE Hub.

Remarks from Arjun Tasker, Local, Faith and Transformative Partnerships Hub, Bureau for Development, Democracy, and Innovation

Hi all, my name is Arjun Tasker and I'm the New Partnerships Initiative Lead in the Local, Faith, and Transformative Partnerships Hub at USAID. I want to share about the Agency's Localization Agenda, which is well underway, and how NPI is drawing on our years of experience and engagement with these issues to help advance the Localization Agenda forward.

NPI Action Plans

NPI Approaches section identified to what degree M/OUs were directly partnering with nontraditional partners or indirectly partnering with nontraditional partners through mentoring awards.

NPI Standard practices section explore to what degree M/OUs planned to use co-creation, refinement periods, accountability and feedback plans, and enhanced local capacity development. Cocreation and refinement periods lower the barriers to partnering with USAID by simplifying the procurement process and initial award period. Enhanced local capacity

development supports nontraditional partners in bolstering their ability to deliver development results. Accountability and Feedback Plans are an opportunity to incorporate local voices (including beneficiaries, local subpartners, and/or local marginalized groups) into activity implementation and demonstrate accountability to them

Newly added DEIA sections gave M/OUs an opportunity to highlight the particular DEIA issues in their geographic or technical contexts, how their current strategies address these issues, and how they are institutionalizing inclusive development incorporating it into their activity design and implementation

We acknowledge that all actors and organizations play a very important role in this process.

- International organizations, for example, play a crucial role in capacity strengthening, mentoring, and coaching of local organizations.
- Diaspora groups are non-local by definition, but bring a unique perspective and network.
- International private sector organizations and corporations can be important sources of financing and market-driven solutions for advancing localization.
- International faith-based groups tap into vast networks and have deep roots in the countries where they work.
- U.S. small businesses offer innovative and creative approaches to fostering localization.

Localization

The Localization Agenda will include Priority Actions for Agency Commitment. This will likely focus on reforms to:

- Integrating localization into program and operational policy, for example USAID's upcoming Policy Framework or our revised Acquisitions and Assistance Strategy,
- facilitate programming,
- mobilize USAID's human and financial capital, and
- expand and improve partnership quality.

Other focus areas include:

- coalition building,
- measurement of outcomes,
- procurement, and
- risk management.

There is no trade-off between our efforts on localization and our support for small, minority, and new-to-USAID American businesses and organizations. In fact, both are priorities for the Administrator under expanding programs such as the New Partnership Initiative.

CentroAmerica Local

USAID is committed to advancing the vision laid out in the Administration's Root Causes Strategy, including by empowering local partners and providing hope and opportunity so that the people of the region can confidently build their lives in their own home countries.

USAID's current approach to localization builds on more than a decade of efforts to expand and deepen the Agency's work with local organizations around the world. The \$300M devoted to Centroamérica Local over the next five years represents an early demonstration project for this approach, bringing to bear years of lessons learned, creating opportunities to test new approaches, and removing the remaining barriers to localization that truly empowers local partners and communities.

Walk through of WorkwithUSAID.org by Matt Johnson

As Luis highlighted, the Agency has been working to lower the barrier to partnership. We understand that often knowing where to start is one of the biggest challenges.

With this in mind, we developed the new WorkwithUSAID.org. Which is a free and globally accessible website where current and prospective partners can learn how to partner with the Agency.

I would like to briefly highlight a few key areas of the website for your attention.

If you're new to USAID, one of the first things we'd recommend you check out is our "start here" checklist. On this checklist you'll have all of the basic information you need to know to be able to partner with USAID. We've created the checklist in English, Spanish, Ukrainian, Arabic, Vietnamese, Burmese, and Portuguese. We will have a french version coming soon.

After you've checked this out, we encourage you to add your organization to USAID's partner directory. The directory is open to all organizations working in or contributing to the field of development. Note that previous engagement with USAID is not required to create an organization profile. By adding your organization to the directory you can Increase your visibility among USAID staff and current partners looking for contractors and subcontractors.

If you're interested in checking out the directory, you can search for organizations by different sectors, countries, and a range of other filters such as the type of organization and whether or not an organization has worked with USAID.

Clicking on a profile allows you to learn more about a particular organization – such as the type of organization they are, the sectors they work in, countries they currently service, and more.

Next, I want to highlight the Pre-Engagement Assessment, which is a 48-question self-assessment that will evaluate an organization's capacity and readiness to partner with USAID. We have designed this assessment to align with the critical areas in the USAID Automated Directives System, or ADS, the Organizational Capacity Assessment, and the Non-U.S. Pre-Award Survey, or NUPAS. Don't worry if you don't know what these are, right now. The assessment is designed exactly so you don't have to have that knowledge, at this stage. Our Pre-Engagement Assessment enables an organization to privately assess their organizational health in five categories: programming, compliance, human resources, program management, and budget and finance systems.

Once your organization completes the assessment, you will receive a customized readiness score in an automated guidance report. These readiness scores are completely confidential. They are never shared with USAID, and they have no impact on USAID funding decisions. They are only meant as a way of giving your organization insight into your own capacity. The guidance report includes a valuable list of resources to help close any capacity gaps.

In addition, we have a library of guides, videos, and trainings with information about working with USAID. Partners can use these resources to strengthen their organization.

On the News & Insights blog, we feature stories that highlight a number of potential paths to partnership with USAID. Through these stories, organizations can uncover valuable lessons and key insights from new and experienced partners, as well as from Partnerships Incubator experts and USAID staff.

We have just recently added a new tab called funding, direct links to USAID's funding opportunities on Grants.gov and SAM.gov, a link to our Business Forecast

Finally, we have gathered almost a thousand questions that partners have about the Agency. You can access a robust list of frequently asked questions under our FAQ tab.

We believe that this website will play an important role in supporting not only new partners, but also our long-standing partners and USAID staff. We are continuing to make updates to the website and will be adding additional features to it in the coming months.